

## Message Text

CONFIDENTIAL

PAGE 01 STATE 089063  
ORIGIN EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05  
L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15  
XMB-02 SIL-01 NSCE-00 SSO-00 ICAE-00 INRE-00 /123 R

DRAFTED BY EB/OT/STA:J S SPIRO:CMS

APPROVED BY EB/OT:S AHMAD

EA/J:H COCHRAN

TREASURY:J LUKE

TR RY:J RAY

STR:T GRAHAM

-----024943 062336Z /21

O P 062257Z APR 78

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO IMMEDIATE

INFO AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY BUDAPEST PRIORITY

USMISSION GENEVAY

USMISSION GENEVA PRIORITY

AMEMBASSY PARIS PRIORITY

C O N F I D E N T I A L STATE 089063

BUDAPEST PLEASE PASS DAS PETER D. EHRENHAFT

E.O. 11652:GDS

TAGS: ETRD, JA

SUBJECT:ASSESSMENT OF ANTIDUMPING DUTIES ON JAPANESE COLOR  
TV SETS

GENEVA PASS DAS WILLIAM G. BARRACLOUGH

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 089063

REFS: A) TOKYO 5629 (NOTAL), B) STATE 83574, C) TOKYO 5369  
(NOTAL)

1. DEPARTMENT APPRECIATES REFTEL A REPORTING COMMENTS OF  
JAPANESE PRESS AND A DELEGATION FROM ELECTRONICS INDUSTRIES  
ASSOCIATION OF JAPAN. THERE FOLLOW BELOW BACKGROUND ON THE  
CASE AND ANSWERS TO SOME OF THE POINTS RAISED.

2. THE JAPANESE MANUFACTURERS, CONTRARY TO MORIYAMA STATE-  
MENT IN REFTEL C, HAVE NOT COOPERATED FREELY IN SUPPLYING  
INFORMATION REQUESTED BY CUSTOMS IN THIS CASE. THE  
JAPANESE MANUFACTURERS IN MANY CASES CONTINUALLY FAILED TO  
SUBMIT ADEQUATE INFORMATION TO CUSTOMS, AND WHERE INFORMA-  
TION WAS SUBMITTED IN RESPONSE TO TREASURY'S REQUESTS, IT  
WAS FREQUENTLY ERRONEOUS.

,

3. BY THE FALL OF 1977 IT WAS CLEAR TO CUSTOMS THAT IT  
COULD NO LONGER DELAY IN ASSESSING AND LIQUIDATING  
DUMPING DUTIES GOING BACK TO 1972, PARTICULARLY IN LIGHT  
OF CONGRESSIONAL PRESSURE TO ADMINISTER PROPERLY THE  
ANTIDUMPING LEGISLATION. CUSTOMS BEGAN LOOKING INTO WAYS  
OF OBTAINING EVIDENCE IT COULD RELY ON GIVEN THE SERIOUS  
DEFICIENCIES IN THE INFORMATION SUPPLIED BY JAPANESE  
MANUFACTURERS. THE REPRESENTATIVES OF THE JAPANESE  
MANUFACTURERS WERE AWARE OF THIS CHANGE, AND INDEED,  
REPORTED HEARING RUMORS THAT CUSTOMS WAS LOOKING INTO THE  
POSSIBILITY OF ALTERNATIVE EVIDENCE AND USING THE  
JAPANESE COMMODITY TAX AS PART OF A SUBSTITUTE METHOD FOR  
COMPUTING THE DUMPING DUTIES. AT THE REQUEST OF  
REPRESENTATIVES OF THE JAPANESE MANUFACTURERS, TREASURY  
GENERAL COUNSEL ROBERT MUNDHEIM MET WITH THEM ON  
DECEMBER 13 AND TOLD THEM THAT CUSTOMS INTENDED TO MOVE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 089063

RAPIDLY TO BRING THE ASSESSMENTS UP TO DATE.

4. ON MARCH 17 MR. MUNDHEIM MET WITH MINISTER KAWAHARA OF  
THE JAPANESE EMBASSY, GAVE HIM A DETAILED MEMORANDUM  
DESCRIBING THE ACTION TREASURY INTENDED TO TAKE, AND WENT  
OVER IT IN CONSIDERABLE DETAIL. THE MEMORANDUM NOTED THAT  
IN CONFORMITY WITH AMBASSADOR STRAUSS' SIDE LETTER TO THE  
OMA ON COLOR TVs, TREASURY WOULD SOON BE MOVING TO  
ELIMINATE THE BACKLOG ON ASSESSMENTS OF ANTIDUMPING  
DUTIES AND WAS INFORMING THE JAPANESE OF THE ACTION  
TREASURY WAS TAKING. THE LETTER EXPLAINED THAT TREASURY  
WAS USING ALTERNATIVE INFORMATION BECAUSE OF THE INADEQUACY  
OF THE INFORMATION PROVIDED BY THE JAPANESE FIRMS. THE  
USE OF THE JAPANESE COMMODITY TAX WAS DESCRIBED WITHOUT  
GIVING THE PRECISE NUMERICAL RATIOS TREASURY INTENDED TO  
EMPLOY. THE MEMORANDUM NOTED THAT THE METHOD TREASURY WAS  
APPLYING WAS NEW, THAT THERE MIGHT BE A SUBSTANTIAL IMPACT  
ON JAPANESE MANUFACTURERS AND THAT, IF IT WAS POSSIBLE,  
TREASURY WAS PREPARED TO WORK WITH THE AFFECTED PARTIES SO  
THAT A LEGAL CHALLENGE COULD BE UNDERTAKEN PRIOR TO THE  
TIME THE FULL DUMPING DUTIES HAD TO BE PAID.

5. FOLLOWING THE MEETING WITH MINISTER KAWAHARA, TREASURY HAD SEVERAL INFORMAL DISCUSSIONS WITH MINISTER KAWAHARA AND MR. TANABE OF THE JAPANESE EMBASSY. ON MARCH 28 MR. MUNDHEIM MET WITH REPRESENTATIVES OF JAPANESE MANUFACTURERS AT THE REQUEST OF THE JAPANESE EMBASSY AND ON MARCH 30 UNDER SECRETARY ANDERSON MET WITH AMBASSADOR TOGO.

6. TREASURY HAS INFORMED THE JAPANESE EMBASSY AS WELL AS REPRESENTATIVES OF THE JAPANESE MANUFACTURERS AND IMPORTERS THAT CUSTOMS HAS SET UP A TASK FORCE TO HEAR

PROTESTS FROM THE INTERESTED PARTIES AND TO ATTEMPT TO RESOLVE CLAIMS. FURTHER, TREASURY HAS TOLD THEM THAT IT IS WILLING TO ATTEMPT TO NEGOTIATE AN ARRANGEMENT WHEREBY

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 089063

A COURT CHALLENGE OF TREASURY'S METHOD CAN TAKE PLACE RAPIDLY AND PRIOR TO PAYMENT OF ALL OF THE MONIES OWED. ANY IMPORTER WHO WISHES TO DISPUTE THE INITIAL ASSESSMENT IS REQUIRED BY STATUTE TO FILE AN ADMINISTRATIVE PROTEST WITH CUSTOMS WITHIN 90 DAYS OF ASSESSMENT AND LIQUIDATION, I.E., FROM MARCH 31 FOR THE 1972-73 ASSESSMENTS.

7. WE UNDERSTAND THAT TREASURY IS PREPARED TO RECEIVE A DELEGATION FROM MITI AND IS IN CONTACT WITH THE JAPANESE EMBASSY. A DATE FOR THE MEETING HAS NOT YET BEEN SET BUT IS EXPECTED BY MID-APRIL. DEPUTY DIRECTOR GENERAL, MIZUNOE, MACHINERY AND INDUSTRY INFORMATION BUREAU, MITI, MAY LEAD THE JAPANESE DELEGATION.

8. REGARDING SOME OF THE OTHER POINTS MADE IN REFTEL A)

--IN PARA 2, TREASURY IS FULLY SATISFIED THAT ITS APPROACH REMAINS CONSISTENT WITH THE METHODS OF CALCULATING DUTIES REQUIRED BY THE ANTIDUMPING LAW AND THE GATT ANTIDUMPING CODE.

--IN PARA 7, TREASURY, WHILE DECLINING TO RESPOND TO ALL QUERIES OF MANUFACTURERS' LAWYERS, DID SPEAK WITH THEM DURING THE PERIOD IN QUESTION AND MR. MUNDHEIM MET WITH THEM ON DECEMBER 13.

--IN PARA 8, EMBASSY QUITE PROPERLY POINTED OUT THAT THE OMA DID NOT WIPE THE SLATE CLEAN AND THE SIDE LETTER IN THE SECTION 201 OMA MAKES THAT CLEAR.

9. IN SUM, THE GOJ WAS PROMPTLY INFORMED OF SIGNIFICANT DEVELOPMENTS, TREASURY WILL RECEIVE INFORMATION THE GOJ WISHES TO PROVIDE, AND TREASURY IS DOING ALL IT CAN TO

CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 089063

ESTABLISH A FRAMEWORK FOR SETTLEMENT OF CLAIMS OR PURSUIT OF A JUDICIAL PROCEEDING IN THE LEAST DISRUPTIVE WAY. AND AS NOTED IN THE PRESS RELEASE, THE ASSESSMENT THUS FAR IS LIMITED TO ENTRIES IN 1972 AND 1973 TOTALLING 46 MILLION DOLLARS, A SMALL PORTION OF THE TOTAL AMOUNT. THIS ACTION WAS, IN PART, THE RESULT OF THE DISCUSSION BETWEEN THE GOJ, JAPANESE MANUFACTURERS, TREASURY AND CUSTOMS DURING THE PERIOD FROM MARCH 17 TO MARCH 31. AT A MEETING WITH THE STATE DEPARTMENT ON APRIL 6 ON CB RADIOS (REPORTED SEPTEL) TANABE EXPRESSED SATISFACTION THAT TREASURY HAD AGREED TO LIMIT THE ASSESSMENT TO 1972-73 AND THAT TREASURY HAD AGREED TO MEET IN THE NEXT

FEW WEEKS WITH THE GOJ AND WAS CONSIDERING MEETING WITH SOME JAPANESE MANUFACTURERS AND JAPANESE INDUSTRY REPRESENTATIVES. VANCE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ANTIDUMPING DUTIES, ANTIDUMPING LAW (TRADE), TELEVISION EQUIPMENT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 apr 1978  
**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE089063  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** J S SPIRO:CMS  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780149-0814  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780484/aaaactga.tel  
**Line Count:** 191  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 80b8d4b4-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 TOKYO 5629, 78 STATE 83574, 78 TOKYO 5369  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 03 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3049953  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ASSESSMENT OF ANTIDUMPING DUTIES ON JAPANESE COLOR TV SETS GENEVA PASS DAS WILLIAM G. BARRACLOUGH  
**TAGS:** ETRD, JA  
**To:** TOKYO  
**Type:** TE  
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/80b8d4b4-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014